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The New York Times

8-page supplement



Hispanics trace Jewish roots

Page 7



A mother's courage at the film festival

Arts & Entertainment, Page 5

### Index

- Arts & Entertainment ..... 5
- Business ..... 8
- Crossword ..... 11
- Movies/TV ..... 11
- Opinion ..... 6
- Sports ..... 10

## Cabinet reshuffle awaits Levy's decision today

By MICHAEL YUDELMAN and JAY BUSHINSKY

Foreign Minister David Levy is expected to announce today whether he is staying in the government or quitting.

Levy and Prime Minister Benjamin Netanyahu met yesterday in an effort to resolve their differences, which would allow the prime minister to present his new cabinet to the Knesset today. Another meeting scheduled for later last night was canceled.

Referring to the hour-long meeting between Netanyahu and the foreign minister, Foreign Ministry sources said they expected it to generate greater confidence between the two.

Netanyahu and Levy "discussed a wide range of subjects," said Freddy Eitan, one of Levy's political aides. "Despite occasional differences, they found that they agreed much more than they disagreed."

Apparently Netanyahu has agreed to abolish the inner security cabinet - the "kitchen cabinet" - as Levy demanded, and gave Levy sole responsibility for the negotiations with the Palestinians.

After Levy and Netanyahu's meeting yesterday afternoon, a statement was issued saying only that "there will be more meetings." As soon as the meeting ended, Levy summoned his advisers and confidants, Mifal Hapayis director

Ya'acov Bardugo, Geshet manager Motti Mishani, and contractor David Appel, for urgent consultations.

The fact that Netanyahu delayed the departure of his new political aide, Uzi Arad, for the US, until his mission had been clarified and cleared by Levy, was cited as one of the most positive steps taken by the prime minister to advance cooperation.

However, Netanyahu is reluctant to subject his advisers Arad, Danny Naveh and Yitzhak Molcho to Levy's authority, fearing he will be cut off completely from the peace process.

Levy's people, meanwhile, said he does not believe Netanyahu's promises, noting that every day or two there is a

headline that infuriates him, regarding some foreign affairs move carried out behind his back. They cited Defense Minister Yitzhak Mordechai's contacts for a new arrangement in Lebanon, and Arad's plan to go to Washington last week without coordinating with Levy.

"They saw eye-to-eye on current relations with Syria and Lebanon," Eitan said. He noted that both rejected as false and misleading a report published in *Ma'ariv* according to which US-based business executives have been negotiating business deals with the Syrians on Netanyahu's personal behalf.

The newspaper said these individuals have been conducting diplomatic over-

tures with Syria as if they were authorized to speak for the prime minister.

Also yesterday, Netanyahu briefed President Ezer Weizman with regard to the stalemate in the peace process and the lack of stability in the cabinet.

Weizman reportedly stressed the importance of renewing peace talks with the Palestinians and Syrians. He also expressed concern about Israel's relationship with Egypt, recalling that he personally played an active role in cementing it.

There was no elaboration on the tension between Netanyahu and Levy, a source said, indicating that the president regards Levy and Defense Minister

Yitzhak Mordechai as Netanyahu's key assistants in seeking regional peace.

Meanwhile, there are other problems threatening Netanyahu's cabinet reshuffle today. Tourism Minister Moshe Katzav, who is slated to replace Ariel Sharon as national infrastructure minister, objects to having the Israel Lands Administration torn off his ministry and given to finance minister-designate Sharon, as Netanyahu promised him.

In addition, the Transport, Housing and Agriculture ministers are demanding the return of departments taken from their ministries to form the infrastructure ministry, a ministry created especially for Sharon.

### Palestinian Christians angered by offensive Virgin Mary illustration

By HAIM SHAPIRO

An illustration in a scientific periodical published in mid-April, meant to illustrate an article on cloning, raised a furor this weekend in Palestinian Christian circles, which said it was an insult to Christianity, resulting in an apology to Christians from Prime Minister Benjamin Netanyahu.

The illustration, which consists of a conventional painting of the Madonna and Child, has the head of a cow superimposed on the head of Mary, and appeared in *Galileo*, a Hebrew-language science magazine. Publisher Stephan Savitsky said that the illustration appeared two-and-a-half months ago to illustrate two articles on cloning. One, he said, discussed the scientific aspects of cloning, while the other related to the philosophical problems.

The illustration specifically related to the possibility that at some point in the future it might be possible for a human fetus to be born from an animal's womb. The editors of the magazine, who simply related to the picture as that of a mother and child, were unaware of its religious significance, Savitsky said.

On Thursday, Savitsky was contacted by an Arab-language paper in Nazareth which then published the illustration. This weekend the illustration reappeared in newspapers in eastern Jerusalem and the West Bank. The illustration also elicited condemnations from Palestinian officials and from the Greek Orthodox and Latin Patriarchates.

Hamas has also condemned what it called a Jewish attitude of disdain as expressed in the picture of St. Mary and said that both this picture and the placard of Mohammed as a pig exhibited the racism of the Zionist mentality which saw non-Jews as only fit to serve the Jews.

Savitsky said that if he and his colleagues had imagined that the illustration would hurt anyone's feelings, they would not have published it.

"If any religious group sees it as saying that we are against their religion, then we apologize," Savitsky said.

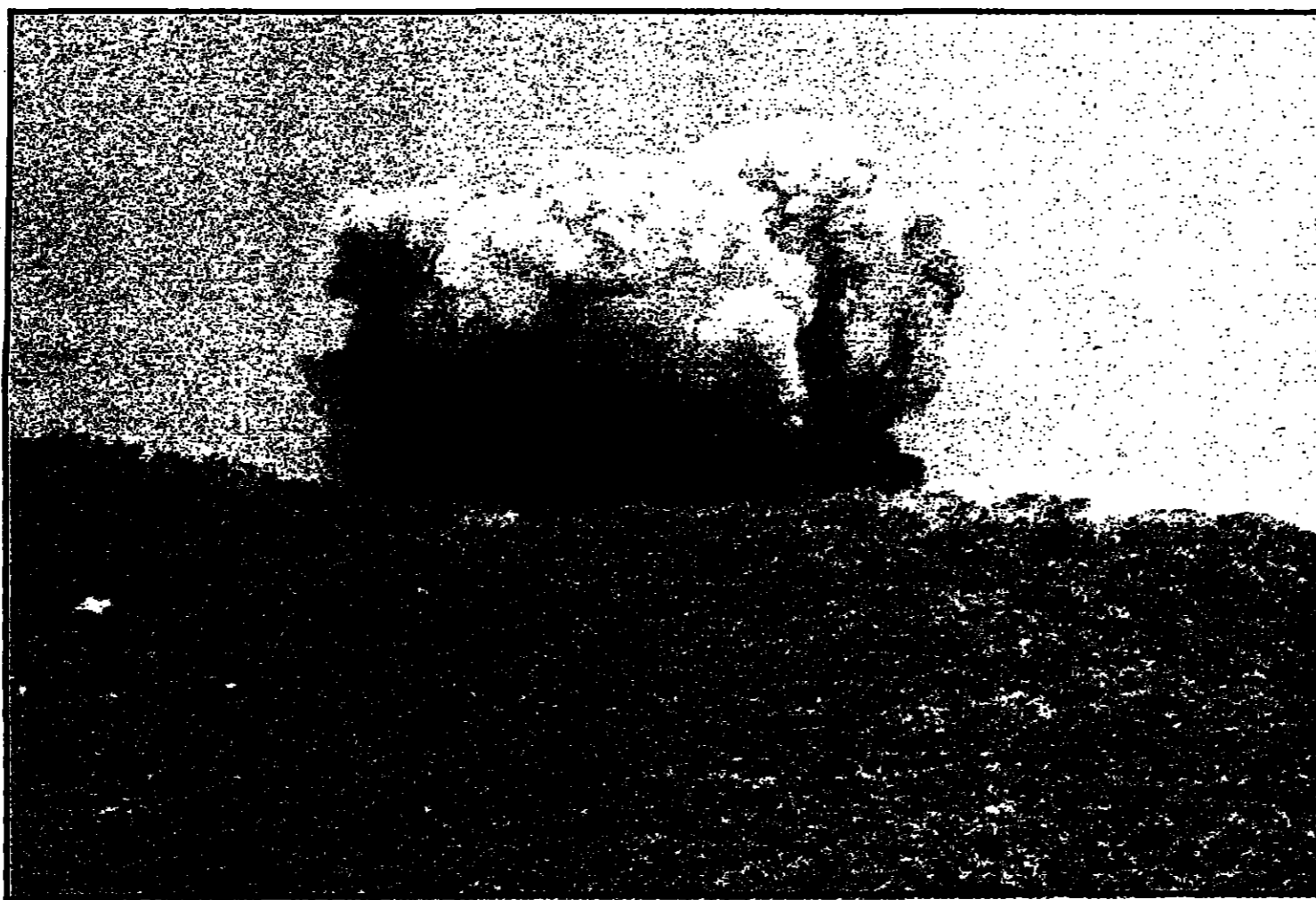
He said last night that he intended to send a letter of explanation and apology to the heads of the Christian communities.

In a statement last night Netanyahu also expressed his regrets over the incident.

"I am deeply sorry about the hurt that the publication of such a picture has inflicted on people of the Christian faith," Netanyahu said.

Netanyahu's communications and policy adviser, David Bar-Ilan, said last night that not everyone understands the meaning of a free press. While the government is sorry, it cannot exercise any form of censorship over such a publication, he added.

## IDF officer killed in Lebanon



Smoke rises yesterday from a mountain-top Hizbullah position in the Iklim al-Toufah region of southern Lebanon, after a pounding by IAF planes. The raid was in retaliation for a guerrilla attack earlier in the day in which Maj. Nadav Milo was killed. (Reuters)

By DAVID RUDGE

An IDF officer was killed in a clash with Hizbullah gunmen in the northeastern sector of the security zone yesterday, during a day of heavy fighting in south Lebanon.

There were reports of either mortar shells or Katyusha rockets falling close to the northern border in the western region of the zone last night. It was not clear if any fell in Israeli territory.

Maj. Nadav Milo, 24, of Kibbutz Sde Elyahu in the Beit She'an Valley, is to be laid to rest in the kib-

butz cemetery at 17:45 today.

Defense Minister Yitzhak Mordechai, recalling having once spoken with Milo, told a workers' meeting in Bat Yam last night: "We have lost an outstanding officer who ... would have had a great future. I am full of admiration for the commanders and soldiers who are carrying out important and demanding operations in Lebanon against Hizbullah, which is supported by Iran."

"I am seeking and will continue to seek every course which might even partially improve the situation in Lebanon," Mordechai said. "I will make every effort on this matter, and believe me, I have no illusions and I don't care if I'm attacked for

this. I have a deep feeling commitment to the soldiers in Lebanon ... and I am duty bound as defense minister to search for any possible solution."

Milo, commander of a Paratroop Brigade engineers company, was leading a unit on patrol in the Sojud region yesterday morning when they came under close-range fire.

It was not clear whether the Hizbullah squad, apparently composed of three or four gunmen, was laying in ambush or happened to be in the area and spotted the paratroopers first and opened fire.

Milo was reportedly hit in the first burst of fire and later died of his wounds. According to initial inquiries, the rest of the unit returned fire, forcing the gunmen to retreat and thereby preventing further casualties.

The gunmen, however, received support and covering fire from Hizbullah mortar crews north of the zone. The mortars were directed at the troops in the field and the nearby Sojud outpost.

Nadav Milo (IDF Spokesman)

Kibbutz in mourning, Page 2

See OFFICER, Page 2

### In small roll for mankind, Sojourner slides onto Mars

News agencies

PASADENA, California - The exploration of Mars entered a new stage yesterday with the Pathfinder's roving vehicle Sojourner preparing to set its sights on a multi-colored rock.

Life on Mars? Page 4

dubbed "Barnacle Bill."

The Sojourner, a solar-powered vehicle about the size of a microwave oven, rolled out of the Pathfinder lander late on Saturday and was parked in the Martian dust for the night.

The Sojourner's mission, which was described as the robotic equivalent of Neil Armstrong's historic landing on the moon in 1969, is clearly the high point for the \$266 million project.

"Everything is going absolutely perfectly," Project Scientist Matthew Golombek told reporters at a briefing at NASA's Jet Propulsion Laboratory here.

"We're just more excited than you can believe. We've never got a measurement from a rock on Mars. This is a great rock." Once the Sojourner completes its examination of the rock - dubbed "Barnacle Bill" because it appears to be covered with little markings - the rover will move on to a larg-

er rock, dubbed "Yogi."

NASA officials hope the tests will tell them about Mars' intriguing past, including how the rocks were formed and whether there may ever have been life on the so-called "Red Planet."

Capping a nervous day for NASA with triumph, the rover aboard the Mars Pathfinder rolled onto the frozen Martian surface Saturday night to become the first mobile vehicle ever on another planet.

Shrugging off a communications problem that puzzled controllers, the six-wheeled Sojourner rover took four minutes to inch down a metal ramp and onto the salmon-red soil it will now analyze.

The first pictures of the rover on Mars showed it wheeling away from the edge of the ramp, leaving clear tracks in the dusty red soil.

"We just want to thank you for the lift. Now we're on our own," a rover team member announced at mission control.

Cheers erupted in NASA's Jet Propulsion Laboratory's control room as photographs of the microwave oven-sized rover on the ramp and on the ground flashed onto computer screens. An eight-frame sequence of images showed the rock wobble and the rover crawl by.

Just after 2 a.m., flight director Chris Salvo announced: "We can report visually six wheels on soil."

"I didn't think we could top yesterday," mission manager Richard Cook said.

### Livnat to monitor phone market share

By JUDY SEGEL

The Communications Ministry will initially monitor the market shares of the three overseas dialing companies to make sure none of them collapses or gobbles up too much of the pie. But within a few months the ministry will leave the field to market forces.

Communications Minister Limor Livnat said yesterday.

As of today, consumers can make an overseas call dialing directly via

Guide for the perplexed, Page 3

any of the three companies offering international service: 012 for Golden Lines; 013 for Barak; or 014 for Bezeq International, which until now has been a monopoly accessed by directly dialing 00 or the operator-assisted line at 188.

If the ministry finds that Bezeq International controls more than 90% of the market four months from now, or 70% of the market in two years, it will make the rules more strict to encourage competition.

If Bezeq International loses 20% of the market within three months, price restrictions will be eased.

The ministry has set a minimum rate schedule for Bezeq International during the interim period. If Bezeq International's share drops by 30% or more, the company will be allowed to set rates equal to the average of its two competitors. Bezeq International will be permitted, with ministry

Calling overseas			
	BEZEQ	GOLDEN LINES	BARAK
US and Canada	79*	72	62
Britain	84	89	47
Germany	84	89	47
South Africa	149	158	88
France	98	89	104
Russia	123	129	105
Japan	159	158	43
Holland	100	89	98

\* 58 asept from 2 min. to 2 min.

These prices are significantly below the average prices previously charged by Bezeq International: eg. NIS 3.53 per minute to the US and Russia, NIS 3.14 to France, Germany and Britain, and NIS 4.34 to Japan.

Judy Segel

approval, to set higher and lower rates for certain times of the day or of the week, as it has up to now.

Throughout the country, business people, new immigrants, homesick expatriates, and everyone with friends or relatives overseas expressed delight yesterday as the long-anticipated drop in international telephone rates began.

"I can't wait," said Brian Blum, president of an Internet consulting firm. "I make a lot of overseas calls, and this will drop my rates by 70%. What better thing could an international businessman want? Nothing could be better than picking up the phone and calling an investor or client in California for a price lower than a Tel Aviv call at peak time."

"The drop in rates is a fantastic breakthrough," said Jerusalem resident Joe Ratzersdorfer. "I make calls mostly for pleasure, but heavily. Up until now, I've been forced to use a secondary provider for overseas phone calls - which is cheaper, but the service is not nearly as good. Now I'll be able to return to the primary server, which is obviously helpful. The drop in rates is major, and this means I'll be able to do things by phone that I've had to do by fax in the past."

Jonathan Tepperman contributed to this report.



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FILM FESTIVAL PREVIEW

Truffles on the silver screen

By ADINA HOFFMAN

The 14th Jerusalem International Film Festival starts Thursday night with a gala screening of the Sultan's Pool of Luc Besson's special-effects extravaganza, The Fifth Element...



The narrator (playwright George Tabori) of 'My Mother's Courage' hugs the brave Hungarian Jew (Pauline Collins) of the title.

Take, for example, a potent movie like Jonathan Nossiter's Sunday, which won the Grand Jury Award at the last Sundance Film Festival but which no Israeli distributor has seen fit to acquire...

insists. "Who the hell would care...?" As the film goes on, he continues to ham up the role of hostile witness, resisting his son's earnest attempts to assign some meaning to his father's existence...

Another film that attempts to understand an aging parent's biography is French director Charles Najman's part-fictional, part-documentary Can Memory Be Dissolved in the Water...?

Remembering the Holocaust with a dose of black humor is also the slippery track tried by two non-Jewish German filmmakers whose movies appear in this year's festival.

of mind-boggling bravery. It's a highly unusual movie, and one that's all the more noteworthy for the way it rejects standard filmic images about the Holocaust and struggles to fathom the horrors on its own irreverent terms.

Big movies; big risks

By MICHAEL STROUD

Making films nowadays is a risky business. In 1977, Star Wars cost \$9.2 million and raked in about \$322 million in the US. This summer, Speed 2: Cruise Control cost \$145 million and took in \$162 million on its opening weekend...

fourth film in the series wouldn't break even on the \$187 million take of its predecessor, Batman Forever, after the movie-theater owners' cut of the box-office gross is subtracted.

Arad Festival Trust chairman Doron Nichtberger was referring to Mati Caspi and his hopes are to be fulfilled. Mati Caspi is to open this year's Arad festival on July 15 after a self-imposed exile of more than four years in the US and Canada.

boycotted last year's festival as a show of solidarity with the families of the three teenagers killed in a stampede before a Mashina concert at the 1995 festival.

Arad sports stadium are proceeding briskly despite a letter from Deputy Education and Sports Minister Moshe Peled to the country's various youth movements urging them to boycott the singer for what he termed anti-Israeli behavior.

Caspi fulfills Arad hopes

By HELEN KAYE

We kept the top slot for him, hoping that he'd come back to fill it. Arad Festival Trust chairman Doron Nichtberger was referring to Mati Caspi and his hopes are to be fulfilled.



Mati Caspi

Why Israeli conductors go abroad

By MICHAEL AJZENSTADT

Omri Hadari, the Israeli born trumpeter-turned-conductor, loves movies. And he has had a special interest in silent films since 1982, when he was invited by the British Film Institute to reconstruct the original score of Shostakovich's music for the silent film New Babylon.

visit his family, but he rarely makes conducting appearances here. It has actually been over three years since his last professional visit to Israel.

why there are so few local musicians in the orchestras there. But when musicians from the former Soviet bloc began to move out, they arrived there too, and they also started to teach.



Omri Hadari

NEWS

of the muse

Amos 'n' Andy 'n' Altman

Amos 'n' Andy may join other vintage television series that have made the leap to the big screen. Director Robert Altman and entertainer Harry Belafonte are developing a feature film paying tribute to both the radio and television versions of Amos 'n' Andy and examining the tradition of white comedians in blackface.

Festival fanfares

The English-language Guild Theater of Ra'anana is off to the Art Today Theater Festival at Agropoli, near Salerno, in Italy, on Thursday. It will present Seek Haven, a Guild-created theater piece taken from the poems of novelist/poet Hayim Zelevy, and set to original music by founding member Prina Isseroff.

Hot dance for summer

The Suzanne Deitl Dance Center in Tel Aviv is showcasing most of the new Israeli dance pieces made over the past year, and premiering five new ones. The participants are all the country's major and some of the fringe companies.

Looking for top managers

The BatSheva Dance company has announced the formation of a search committee to replace general manager Mira Idelsohn, who resigned in May after eight years in the post. It is now an open secret that choreographer Ohad Naharin demanded her resignation as the price of his continued tenure in the post of BD's artistic director to the year 2000.

Moroccan melodies

At the beginning of each concert of the Israel Chamber Orchestra last season, audience members heard an anonymous short composition. Overall, five works were performed by the orchestra, and after each concert the public was asked to give each work a mark.

Shohat's Little Prince

Young Israeli composer Gil Shohat, who now resides in Milan, is writing a short opera for children's voices and young audiences, based on the story of the Little Prince. The work will premiere next season, performed by the Moran Children's Choir.

SEE IT IN HEBREW- HEAR IT IN ENGLISH!

Advertisement for CAMERI Theatre. Features two plays: 'TWELFTH NIGHT' on July 22 at 8:30 p.m. and 'SHEINDALE' on July 29 at 8:30 p.m. The ad describes the plays and provides contact information for subscriptions and tickets.



**Tax Code**

**The Secret Language Of Social Engineering**

By RICHARD W. STEVENSON

**N**AME a social or economic problem. Maybe the tax code can fix it.

Think families these days are hard pressed? Give them a \$500-per-child credit. Want more people to attend at least two years of college? Create a credit to subsidize some of the cost. Determined to address the nation's low savings rate? Expand the Individual Retirement Account to provide more tax incentives for long-term savings. Eager to encourage entrepreneurs? Provide special breaks for investments in small businesses.

Unlike the two most recent big tax-cutting bills, in 1981 and 1986, the tax legislation now working its way through Washington does not include reductions in income tax rates. Although both parties have been proudly proclaiming the windfall they intend to bestow on voters, the \$85 billion that Congress and the Administration have allocated for tax cuts over the next five years would finance only a tiny drop in income-tax rates.

So to get maximum bang for the buck, the leaders of both parties are instead concentrating the available money on a handful of other taxes and tax breaks. All of them appeal to at least one powerful constituency — this year's favorites range from the religious right to Wall Street — and all seek to support certain types of behavior or social goals.

Far from the ideal of a tax code designed solely to raise the revenue needed to finance the workings of Government, this year's legislation is just the latest

**Tax cuts: A high-toned excuse to hand out goodies.**

evidence of how changes in the code frequently come down to dispensing favors under the guise of social and economic policy. Even modest attempts to focus the code more on revenue raising and less on distinguishing between classes of activity and income — like the 1986 tax act — are soon overwhelmed by the political imperative to respond to powerful constituencies who want better treatment.

"I view the tax code as a very poor place to do social engineering," said Iris J. Lav, the associate director of the Center on Budget and Policy Priorities, a liberal research group in Washington, echoing what most conservative economists would say. "There's very scant evidence that the tax code has ever changed people's behavior. It's certainly a question of who has the loudest voice on tax policy."

Certainly, tax policy plays only a limited role in the economic decisions that most people make. People choose to invest or buy a home or send their children to college for all kinds of reasons unrelated to a line on their form 1040. But even where the tax code provides a direct incentive, its impact is unclear.

**Saving, More or Less**

Both the House and the Senate bills propose sweeping expansions of the Individual Retirement Account, which is popular with banks, investment firms and middle and upper-income taxpayers who have money to save. Although some economists argue otherwise, Ms. Lav cited studies concluding that I.R.A.'s have done little or nothing to increase the savings rate, in part because decisions about saving may be more complex than they appear. Since many savers set specific goals, an increase in the after-tax yield that the I.R.A. advantage creates lets them save less than they would otherwise to reach the same goal — not exactly what proponents of savings incentives have in mind.

But Ms. Lav acknowledged her own strong support on both economic or social grounds for programs like the earned income tax credit, which reduces taxes for low-income workers to encourage them to work rather than to go on welfare. So what seems unwarranted social engineering or interest-group pandering by one ideological camp is often seen as a worthy cause — and a justified exception — by the other.

Steve Forbes, who ran for the Republican Presiden-

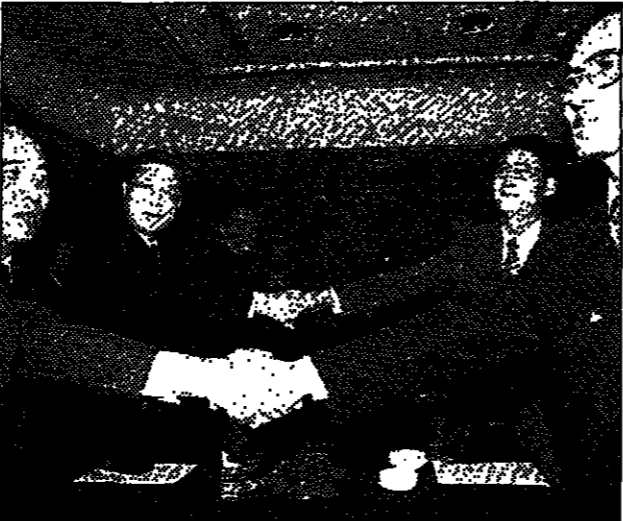
Continued on Page 2



Hands across the President: Arafat reaching out.



No hands: Patrick Ewing and John Starks body slam.



Korean hands: North and South agree on food aid.



Political hands: Al Gore at an auto workers picnic.



Joining hands: Cambodia's two co-premiers.

**No Great Shakes**

**A Ritual Loses Its Grip**

By ADAM BRYANT

**H**ANDSHAKES are part of history's greatest hits: Arafat and Rabin at the White House in 1993; Nixon thrusting out his hand to Zhou Enlai in Beijing in 1972. They are a big reason the airline industry does not feel threatened by the rise of videoconferencing: "You can't fax a handshake" is a popular saying at many companies.

And as American-style capitalism sweeps through distant countries, more people are shaking hands, according to Roger E. AxteLL, editor of a series of "Do's and Taboos" books about body language around the world. In the United States, he added, even more women are joining in the ritual.

But think again before you reach out and glad-hand. The handshake, as natural an act as walking upright, is being shaken itself, devalued as a symbol of trustworthiness and denounced as a health threat at the same time that technology holds the promise of upgrading it for new uses.

By most accounts, handshakes started as a way to show that neither person was holding a weapon. Desmond Morris, the anthropologist, calls the handshake a "tie-sign" because of the bond it creates. Through the centuries, the growing use of the handshake reflected greater equality among individuals, and it was used to seal

**Whether sealing a deal, showing respect or just saying hello, a handshake created a special relationship.**

agreements. The handshake became a friendly greeting, a sign of respect, a bet that new faces would be remembered.

But now, if you want to show someone respect, perhaps you should consider not shaking hands. That was the lesson Alonzo Mourning, the star center for the Miami Heat, tried to draw in May from the fifth game of the Eastern Conference finals of the National Basketball Association, when Michael Jordan of the Chicago Bulls refused to shake his outstretched hand.

**Respectfully Declined**

After the game, with the Heat eliminated, Mr. Mourning said Mr. Jordan's reaction flattered him. "It makes me think we got their respect," he said. (Athletic-shoe makers are no doubt fighting over rights to a new marketing slogan: "No Handshakes.")

Others interpreted Mr. Jordan's refusal more traditionally. The Bulls had criticized Mr. Mourning for dirty play throughout the playoffs.

The handshake after a game has long been a tradition in youth leagues, but it no longer moves kids to lay down grudges and hard feelings. Coaches say players often spit in their hands before congratulating opponents. In January, a fight broke out in a handshake line after a junior hockey game in Rhode Island.

At the French Open this year, Thomas Muster was so incensed by the antics of Jeff Tarango across the tennis court that he broke with tradition and refused to shake Mr. Tarango's outstretched hand after beating him.

Even the "golden handshake" appears to be suffering from deflation. In British Columbia, Canada, the provincial government is considering a rule to limit lump-sum severance payments to 24 months' pay for executives ousted from government-run companies and agencies. A former president of a government-run utility, for example, was found to be taking home \$25,000 a month three years after he left.

Moreover, handshakes can be bad for your health. The Massachusetts Medical Society

Continued on Page 4



Handoff: In Bosnia, a changing of the guard.



Hands across the ocean: Spain's Queen Sofia in Mexico.



Hand in hand: Boris Yeltsin and Belarus's President.



Hands high: A cheer for the second Simpson verdict.



Four hands: An award ceremony in the Oval Office.

**Europe's Hard Look Back**

**A younger generation casts aside some national myths about the Holocaust.**

By Alan Cowell

4

**More at Eleven**

**Crime is down in most U.S. cities, but you wouldn't know it from watching television news.**

By Lawrie Miffilin

2



**South of Prosperity**  
Pictures of life and death at the edge of a new era.

By the photographers of Juárez, Mexico

3

# The Nation

## Appealing to the Law's Brooding Spirit

By LINDA GREENHOUSE

**A**MONG the flood of headline-grabbing opinions that poured out of the Supreme Court in the last few weeks, there were some other opinions that made not much news and no law but served notable purposes of their own.

These were the separate expressions of individual Justices, concurring or dissenting opinions that sought not so much to influence the outcome of the case at hand as to plant a thought or start a fresh conversation. An art form all their own, these opinions open a window on the Court and show how the Justices express themselves unconstrained by the need to persuade adversaries or to steady wavering allies.

Dissenting opinions typically do have the aim of persuading, of course. In dissenting from the decision that overturned a portion of the Brady gun control law, Justice John Paul Stevens filed a 35-page rebuttal of every important point in Justice Antonin Scalia's majority opinion and may even, at least in passing, have shaken the five-Justice majority's united front.

One member of that majority, Justice Sandra Day O'Connor, felt obliged to write a two-paragraph



with the democratic virtues of more local control," he said. The federal systems of Switzerland, Germany and the European Union had all concluded — contrary to the majority's conclusion in the Brady Act case — that it made more sense, not less, for the central government to enlist the states in carrying out national policy.

as an academic. He's saying, "Here's something I'd be interested in people talking about later."

Laurence H. Tribe of Harvard Law School said, "Each Justice has a different audience based on the way they perceive their place in history and on the world stage. Among the audiences for any Supreme Court opinion, he said, are the decision's 'immediate users' and its later 'evaluators,' including political scientists, law reviews, law clerks, judges and even future Justices. Separate opinions, Mr. Tribe said, serve as 'tendrils that link the Court's immediate result to adjacent areas and related communities.'"

propositions, that the Second Amendment's reference to the "right to keep and bear arms" might negate the Federal Government's authority to regulate gun sales at least within a single state's borders.

Lacking any relevant Supreme Court precedents, the challengers to the Brady Act had not even raised a Second Amendment argument. But Justice Thomas's opinion, referring to a famous 1833 commentary on the Constitution, said: "Perhaps, at some future date, this Court will have the opportunity to determine whether Justice Story was correct when he wrote that the right to bear arms 'has justly been considered as the palladium of the liberty of a republic.'"

Less frequently, a Justice will use a case the Court has not even agreed to decide as a vehicle for further discussion. Two years ago, for example, the Court unanimously turned down an appeal by a Texas death-row inmate, Clarence A. Lackey, who argued that his 17 years on death row amounted to unconstitutionally cruel and unusual punishment. As is customary, the Court simply denied the case without comment.

But Justice Stevens wrote separately, not to dissent but to elaborate. Mr. Lackey's "novel" claim was "not

without foundation," Justice Stevens said. It had such "potential for far-reaching consequences" that the state and lower Federal courts should study the issue before the Supreme Court plunged in, he said.

The use of individual opinions has varied over the Court's history. In the earliest days, there were no opinions for the Court as a whole; each Justice announced his views separately. The third Chief Justice, John Marshall, began a tradition of forcefully announced opinions that spoke for a unanimous Court. Dissenting opinions came later; separate concurrences are the most recent innovation.

### New Deal Philosophies

They began to flower in the New Deal period, said David M. O'Brien, a political scientist and Supreme Court specialist at the University of Virginia. "New Deal liberalism didn't have a coherent philosophy, so each Justice felt free to elaborate," Mr. O'Brien said. "Now conservatives domi-

nate the Court, so we see a working out of the nuances of conservatism through separate opinions. The question in many of these cases is how far the conservatives will go. Scalia and Thomas are always pushing, writing for the next 10 to 20 years, while O'Connor and Kennedy are writing to hold the line."

As for dissenting opinions, the classic description is that of Charles Evans Hughes, Chief Justice in the 1930's, who said a dissent should be "an appeal to the brooding spirit of the law, to the intelligence of a future day." The current Chief Justice offered a pithier if less poetic formulation in the 1970's, when he was often a lone dissenter against the Court's lingering liberalism. "It is an appeal to present and future brethren to see the light," Mr. Rehnquist said.

### Dissenting or concurring to plant new ideas.

concurring opinion that seemed to have the sole purpose of reassuring the public that the Court's sweeping manifesto for states' rights was not as unsettling as it appeared. "Our holding, of course, does not spell the end of the objectives of the Brady Act," Justice O'Connor said.

But persuasion was almost certainly not the purpose of Justice Stephen G. Breyer's separate dissenting opinion. He wrote that he subscribed to everything Justice Stevens had said, and went on to offer a different way of thinking about the underlying issue in the case.

"The United States is not the only nation that seeks to reconcile the practical need for a central authority

### Double Vision

## Crime Falls, but Not on TV

By LAWRIE MIFFLIN

**C**RIME reporting is such a staple of local television news coverage that it has acquired its own cliché: "If it bleeds, it leads." Whatever else might have happened, if someone is murdered, that story will lead the day's newscast.

So the continuing plunge in the nation's crime rates — last week, New York City reported that homicides in the first half of this year were down about 30 percent from the same period in 1996 — raises a question for television news directors: Are they now putting fewer crime stories on screen, too?

The answer seems to be no. "The fact that percentages are down doesn't affect our coverage," said Bill Carey, news director at Channel 2 in New York, CBS's flagship station. "The communities who suffered and the families who suffered the crimes still want to know about them."

The real-estate salesman who was stabbed to death and dumped in a pond in Central Park, allegedly by a teen-age girl and boy; the dedicated teacher and son of Time Warner's chief executive who was slain, the police say, by a former student; the 7-year-old girl abducted on her way to school in Chinatown — these murders would have been news no matter what.

### Breaking the Habit

But it isn't the dramatic cases that dominate crime coverage on local TV, said Joseph Angotti, a former senior vice president of NBC News who is now a professor of communications at the University of Miami, and who directed a study this year of the content of local news programs in eight cities. "Since journalism began, people have been infatuated with stories of big crimes, big trials. What's driving television news today is the ordinary, continuous kind of crime stories. It's a habit they've gotten into and it's difficult to break."

Mr. Angotti and his colleagues found that crime and criminal justice stories took up 29 percent of the average early-evening newscast in eight cities studied. Other studies in the last decade have found a similar proportion — around one-third of the average local newscast.

"Most of that crime coverage is not editorially driven, it's economically driven," Mr. Angotti added. "It's the easiest, cheapest, laziest news to cover, because all they do is listen to the police radio, react to it, send out a mobile camera unit, spend an hour or two covering it and put it on the air."

Naturally, not all news directors agree. Many believe crime news matters to viewers. And some say their coverage has shifted as crime patterns have changed. Mr. Carey at Channel 2 says the ebbing of the city's crack-cocaine problem has changed the nature of crime reporting.

"When the drug epidemic was worse, in the late '80's here in the city, the violence was much worse and the ways people killed people were worse," he said. He mentioned schoolyard shootings, drug users killing innocent people for money and, in particular, the story of a cocaine-using woman who held her crying toddler over



After a shooting at a New York City high school.

flames on the stove, giving the child such severe burns that he later died.

But to the average citizen, random crime is scarier than the drug-related crime that occurs most often in the poorest neighborhoods. The four local news directors interviewed said that even as they continue to put crime stories on the air, their coverage has changed to reflect the general belief that the city is safer.

### The Giuliani Factor

Publicity helps build that belief, and Mayor Rudolph W. Giuliani and his supporters have repeatedly publicized the statistics.

"Giuliani is making that his mantra, so if we're covering the Mayor of the City of New York, it's hard not to hear it," said Marie Hickey, the news director at Channel 5, the Fox Broadcasting station. "And of course people applaud the fact that crime is down. We did a piece on that in early June, and found that people do believe it's down and do feel the city is safer."

Paula Walker, the news director at Channel 4, NBC's New York station, said recently that she has been trying to change the mindset in her newsroom. "When I challenge our people on beat checks," she said, refer-

### Headline News

Crime pays, at least for the media that cover it, a recent survey of public attitudes toward the news suggests.

For each of the following topics, are you extremely interested in it, very interested, somewhat interested, not too interested or not at all interested?

Percent of respondents who said they were extremely or very interested.

News from where you live	69%
Crime	68%
The environment	59%
News about local government	54%
National news	52%
News about national government	48%
World news	40%

Based on a January 1997 national telephone poll of 1,500 adults by the Roper Center for Public Opinion Research, the Newsweek and the Media Studies Center.

ring to the daily phone calls made to check for news, "it's to ask, 'Why are we calling the cops? Why don't we call the schools? Why don't we call the hospitals?' Because if you're going to call around and find out whether anything's going on today and the only places you call are the police stations, what diet will you present but a diet of crime?"

That has been the diet presented by most local television station newscasts, however, especially in cities. Mr. Angotti said it may change — again because of economics. "In at least three of the cities in our study," he said, "we found that the stations that were using the least amount of crime news were getting the highest ratings. So the theory that if you give people lots of blood-and-guts, that's what they'll watch is not necessarily true."

As Channel 4's Ms. Walker pointed out, in a big city there will always be plenty of crime. It is each station's choice how much of it is worth putting on the air — and what to keep off as a result.

"Crime is always devastating to the victims, and I don't want to minimize that," she said. "But we have only a finite amount of time to present our news agenda. And most people in our tri-state area do not walk around every day expecting to be murdered."

## Breaking the Tax Code

Continued From Page 1

tial nomination last year on a platform of replacing the current tax system with a single flat rate, issued a memo last week characterizing the emerging tax plan, although largely the work of Republicans, as "Big Brother Clinton knows best."

### The Pathetic Reward

"If your family does exactly what he wants you to do, when he wants you to do it, where he wants you to do it," Mr. Forbes said, "then you might get a pathetically small little break on your Federal taxes."

But by Mr. Forbes's standard few Congressional Republicans could claim to be pure. Speaker Newt Gingrich pushed into the House tax bill detailed provisions designed to attract investment, jobs and new residents to the District of Columbia. Representative Bill Archer, the Texas Republican who as chairman of the Ways and Means Committee rails against the complexities and inequities of the tax code, still champions narrow provisions, including a permanent extension of a tax credit to encourage pharmaceutical companies to do research on treatments for obscure diseases. And most Republicans have wholeheartedly embraced the religious right's argument that the proposed child credit will strengthen families, even while admitting that the credit will do nothing to strengthen the economy.

There is another reason politicians choose the tax code to pursue policy objectives. In this age of fiscal austerity, new spending programs are a tough sell in Congress. But if the same initiatives are dressed up as tax cuts they look much more palatable.

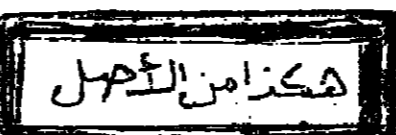
"One looks like smaller government," said C. Eugene Steuerle, a tax expert at the Urban Institute in Washington. "One looks like bigger government. In fact, they both do exactly the same thing."

### Mortarboard Credit

Take President Clinton's effort to encourage more high school students to go on to college. He has already won additional financing for Federal tuition grants for low-income students, and although he no doubt could have designed a spending program to make college more affordable for many middle-class students as well, he would have got little support in the Republican Congress.

As a \$35 billion tax cut, however, Mr. Clinton's proposal to give credits of up to \$1,500 for the first two years of college is almost certain to be enacted at least partially. Never mind that analysts doubt that the credit will inspire students who would otherwise be content with a high school diploma to enroll in college. Indeed, some analysts assert that the plan's main effect would be to increase tuition inflation.

Yet for all the uncertainty about what effects on behavior the tax bill will have, there is one outcome that is beyond doubt: In its efforts to make the tax code do more things for more people, Washington is again putting aside its promises of simplification and making the system more complex.



Juá

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Colonia Mexico



Downtown Hustle



# Juárez, Mexico: On the Border, Between Extremes

**C**UDDAD JUÁREZ, a city of well over a million people just across the Rio Grande from El Paso, Texas, is a dynamic point along the membrane between the world of the desperately striving in Mexico and that of the relatively prosperous in the United States.

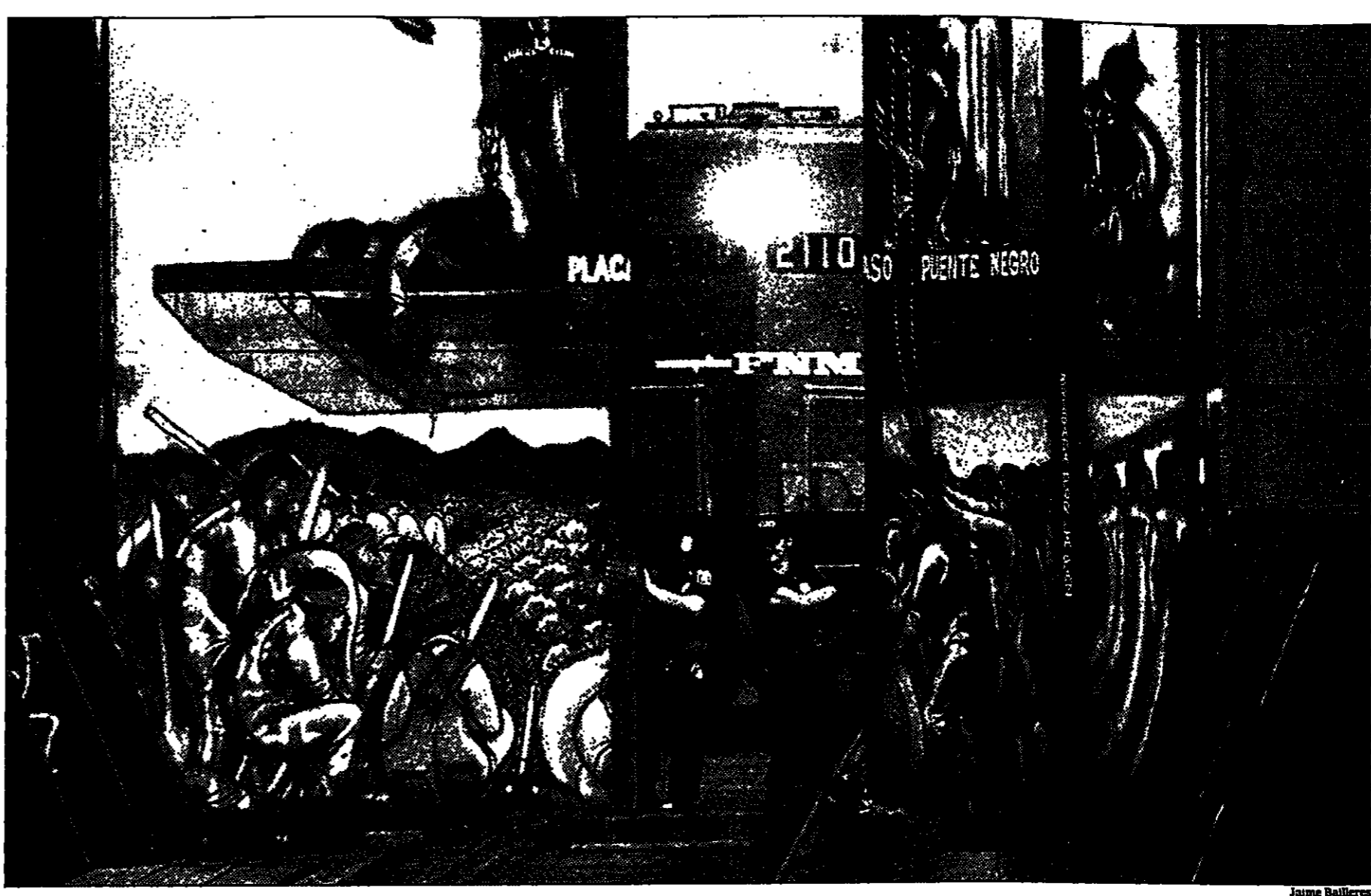
The photographs on this page capture some of the border's grit, hustle and run-of-the-mill horrors: Mongrel dogs prowl beneath freshly hung women's stockings in the midday sun. The body of an electrocuted man sizzles atop a power line he had illegally tried to tap. And a slain young woman lies partly buried in the sand — one of those routinely savaged in a city that draws people from afar to jobs in its many maquiladoras, the foreign-owned border factories, or to its attendant professions, like prostitution.

These pictures are among thousands taken since 1993 by a group of Juárez photographers who set out to document the vibrant and violent life of their town. The work of the 11 photographers (several of whom are employed by the city's main paper, *Diario de Juárez*) is being published in a forthcoming book, "Juárez — The Laboratory of Our Future" (Aperture).

Although the 1994 North American Free Trade Agreement was supposed to bring economic prosperity to Mexico, some people see the grim Juárez photographs as evidence of the exploitive nature of Nafta. But Jaime Bailleres, one of the photographers, noted that this growing city next to the world's most powerful economy presented plenty of troubling tableaux long before the advent of free trade.

The photo project is noteworthy, he said, because it was produced locally, by people who were working with the same handicaps and under the same hazardous conditions that confront all Juárez residents. The photographers, using ancient Pentax cameras, typically earned \$50 to \$80 a week, and risked their lives, alienating drug traffickers, gangs and the Mexican authorities. "It's like working in Bosnia," Mr. Bailleres said.

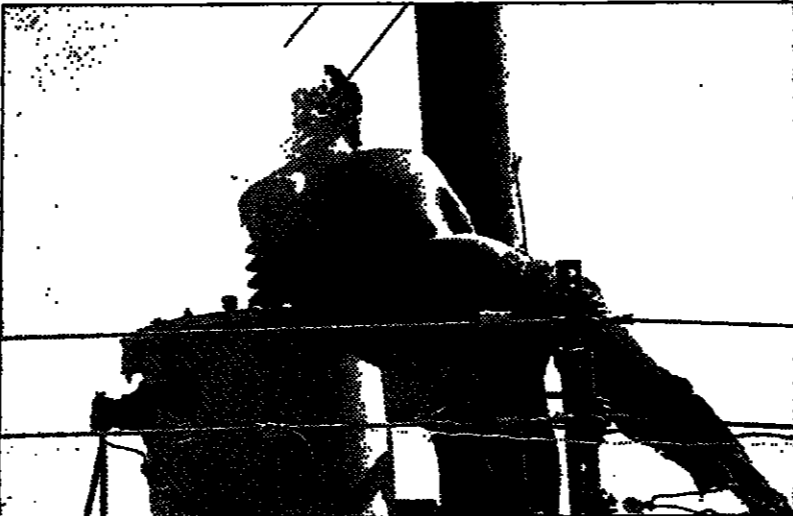
TOM KUNTZ



**From el Norte** On the Puente Negro, a border-gate mural showing the enslavement of Mexicans opens to let in a train from Texas.



**Colonia Mexico '68** A neighborhood founded by workers.



**Electrocuted** A man dies stealing electricity.



**Death in the Desert** Murder victim on the city's outskirts.



**Downtown Hustle** As Mexicans flock to Juárez for work and opportunity, housing is in great demand and so is plumbing.



**Huddled Masses** Protesting farmers camp out at a border crossing.



**Hung Out to Dry** Laundry day in one of Juárez's poor colonias.



**Street-Wise** A musician tries to make some money by playing and selling little flutes on the streets of Juárez.

# The World

## After 50 Years, Europe Revises Its War Stories

By ALAN COWELL

**F**OR most of the post-World War II era, ordinary Europeans looked back on the Holocaust as a symbolic stereotype, an awful composite of gas chambers and closed railroad cars that dwelt in the domain of German guilt.

But since Switzerland's wartime dealings with the Third Reich began hitting the headlines last year, something fundamental has shifted: the Holocaust has been reborn as Europe's business, not just Germany's, forcing countries into a painful reshaping of the narratives by which they define their individual pasts, just as they quest for a new, collective identity for the future.

Switzerland is the most glaring example of history revised, for Switzerland had excelled in promoting integrity and probity as not just the stock-in-trade of its bankers but as national virtues. "If the question is, why is Switzerland singled out, the answer is that Switzerland singles itself out," said Elan Steinberg of the World Jewish Congress.

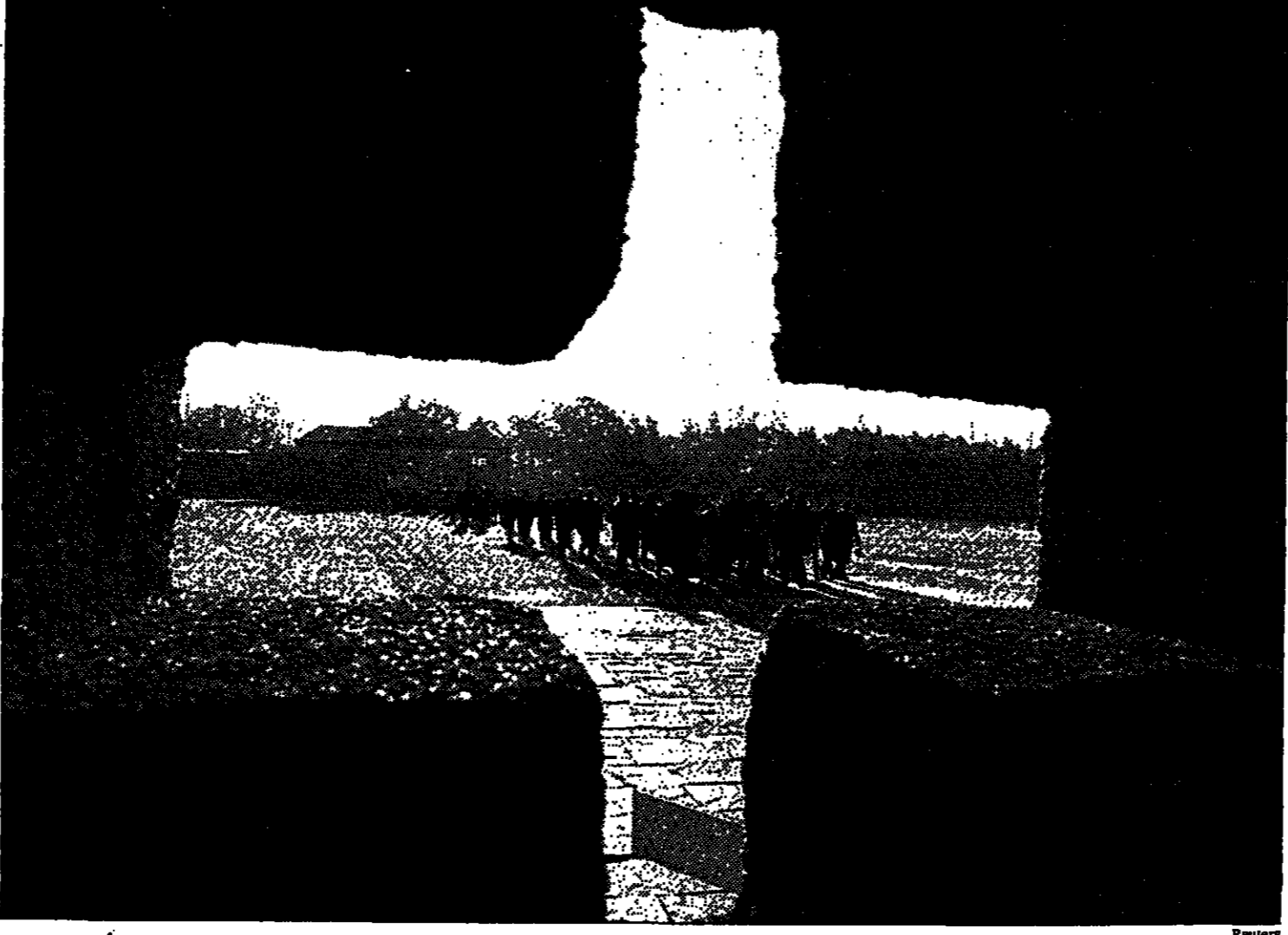
**Stolen Art, Deported Jews**  
But as Switzerland insists, and as has become clear in the past few months in nations that were either occupied or neutral, Switzerland wasn't alone in cooperating with the Nazis. So — divisively in Norway, submissively in Sweden, reluctantly in France — history has become news in the broadening of an old question: not just what did you do in the war, but what did you really do?

In France authorities have acknowledged that buildings now owned by the city of Paris and 1,955 art works in French museums were stolen from Jewish families by the pro-Nazi Vichy Government, which also deported 75,000 Jews to concentration camps.

In Portugal, which was like Switzerland a wartime neutral, trade with Nazi Germany netted up to 100 tons of gold — much of it looted, all of it routed through Switzerland — in return for Portuguese textiles, food and, most important, tungsten, used in the manufacture of steel for the implements of war.

In Sweden, as in Switzerland, authorities have established a commission to answer the question of why neutral Sweden traded iron ore for Nazi gold, directly fueling the German war machine. In Norway, a bitter dispute has erupted over how the country should atone for the fact that Norwegian authorities — not Nazi occupiers — arranged for the deportation to Auschwitz of 790 Jews.

The perception of the Holocaust is being refashioned into finer shades at the insistence of a new generation young enough to be free of its forebears' denial but not so young



Germany has a national commemoration day for Holocaust victims. A ceremony at the former Sachsenhausen concentration camp.

as to have no memory at all (a third of 8,000 Swedish schoolchildren in a recent survey said they doubted that the Holocaust occurred.)

The core of evil lay in Auschwitz or Treblinka, but its echoes resonated in distant financial transactions in Stockholm, Lisbon and Zurich that bolstered Hitler's armies; in the readiness of Allied intelligence to suppress news of the beginnings of genocide in 1941, in the souls of collaborators in the Netherlands and France who helped willingly in the deportation of Jews.

"That is the crux of the matter," said Arne Ruth, a prominent Swedish newspaper editor and historian of the Third Reich. "The nations of Europe were not forced to confront the fact that the Holocaust was much, much wider than just some lunatics in Germany."

But why are nations confronted now?

"Number one, the cold war," said Richard C. Holbrooke, the former United States Ambassador in Bonn and chief negotiator on Bosnia. "In the cold war the rule was that you didn't rattle the cage."

**Going Easy on Allies**

Thus there is documented evidence that in the immediate postwar era the United States and its allies eased their pressure on Switzerland to release German assets held by its banks, including Nazi loot. Meanwhile, Austria, which provided soldiers for the Third Reich, was paid back some of the gold taken to Berlin from its central bank in 1938, the year Hitler's troops were generally welcomed by an Austrian citizenry that is still far from any public soul-searching.

Once such global constraints as cold-war

politics were removed, this argument goes, the myriad sores that had festered untended for decades re-emerged.

But there was another process at work. Secret archives were opened. Generations shifted. Even in Switzerland, from the mid-80's on, a school of younger historians and writers challenged the postwar myths of valiant resistance by which Switzerland had explained its wartime survival.

In Germany in 1995, Chancellor Helmut Kohl and others of his generation sought to redefine Nazism as a period when their land and people had been occupied and oppressed by evil forces. But a year later, the debate was reopened by "Hitler's Willing Executioners," a study by a historian at Harvard, Daniel J. Goldhagen, ascribing the Holocaust to a visceral anti-Semitism among those same ordinary Germans Mr. Kohl had called

**History has become news as a younger generation casts aside its parents' comforting national myths.**

oppressed.

For a younger generation, taboos had been broken. And that generational readiness to confront the past is visible even in those European nations like Portugal whose authorities still seem as resistant as Switzerland once was to prying open the Pandora's box of the past.

Yet Europe's self-examination was neither conclusive nor universally self-starting. The traumatic catalyst in Switzerland came from the United States, in moral outrage stoked primarily by the efforts of the World Jewish Congress as well as by Senator Alfonse M. D'Amato and the Clinton Administration.

**The Peril of Forgetting**

The controversy fed on the anger of those who suspected their forebears' stolen assets still lay in Swiss banks, who believed Switzerland owed a moral and financial debt and who insisted that injustice should not go unchallenged and that the Holocaust should not be forgotten with the aging of the post-war generation.

The result is a heady, ambiguous and perilous mixture. Arguably, it is in Europe's interest to confront its specters as it strives for a unification in the 21st century that will determine, Chancellor Kohl insists, whether the fault lines that brought two world wars and the Holocaust to the continent's bloodiest century are finally sealed.

But as a Swiss diplomat in Europe remarked privately last week, "Too much outside pressure just makes us want to say: Enough, we'll go our own way."

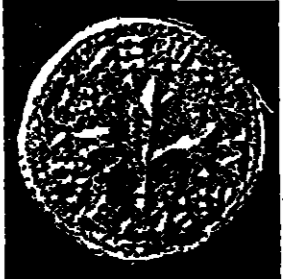
In Switzerland, such sentiments, reinforced by the Clinton Administration's own critical report on the Nazi gold affair this year, have raised the same ghosts that were supposed to be laid to rest, coaxing forth a latent anti-Semitism that many Swiss would prefer to disavow.

History, thus, made news twice over in Switzerland: first by its revision, then by colliding head-on with those who did not want the myths and narratives to be rewritten, certainly not by outsiders.

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## The Handshake Is Losing Its Grip

Continued From Page 1

recently started an advertising campaign that encourages people to wash their hands more often, pointing out in one radio spot that "any friendly handshake can carry many illnesses."

Robert E. Swindle, a retired business professor in Peoria, Ariz., wants to abolish handshaking altogether. After all, now that most people don't carry concealed weapons in their hands, the ritual has lost its usefulness, he said. Mr. Swindle is also concerned about how quickly germs spread through handshakes, particularly in settings like doctor's offices and hospitals.

"I saw a cardiologist recently, and he shook hands with me three times," he said. When Mr. Swindle does not want to shake hands, he smooths out an uncomfortable moment by saying that he cannot because of a finger he fractured playing basketball.

But if Mr. Swindle got his way, something would clearly be lost in society. Allen Konopacki, who runs a sales training company in Chicago called the Incomin Center, tried an experiment last year to better understand the handshake effect. He and a group of students left a quarter in a public phone, and after strangers used the phone and took the coin, a student walked up to ask if they had seen the quarter. Of the roughly 75 people he tried this on, well over half lied, saying that they had not seen the 25 cents that they had pocketed.

Mr. Konopacki and his students then tried the experiment with 75 more strangers, but this time the student greeted the person with a quick handshake and introduction. Only 14 of the 75 lied.

"A handshake," Mr. Konopacki said, "creates a higher level of trust, a degree of intimacy, within a matter of seconds."

### Hanging On

Politicians who grab every hand they can on the campaign trail clearly believe this to be true. But the handshake is also a way for the masses to get some quality face time. When Prime Minister Jean Chrétien of Canada was glad-handing in May at a campaign rally in Edmonton, Alberta, one man refused to let go as he yelled in Mr. Chrétien's face about his decision to call an election at a

time when flooding had caused a crisis in the West.

I.B.M. is perhaps the most ambitious of the lot in trying to find new uses for the handshake. Big Blue created a small stir at the annual consumer electronics trade show in January with a prototype of its Personal Area Network, or PAN.

Though it won't be available for a while, the company says it has the technology to transmit data — like a digitized business card — between two people with just a handshake. The PAN device, about the size of a thick credit card so it can be carried in a pocket, creates a low-power external electronic field using the natural salinity of the human body that can transmit data to, and receive data from, someone else with a PAN device. The stored information can be viewed later with a computer.

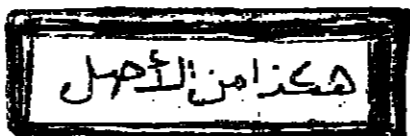
Some sociologists say the apparent drop in the traditional value of a handshake reflects a general decline of loyalty in American society to insti-

**Blame E-mail and declining loyalty to institutions. Then practice with a PAN device.**

tutions like marriage and between employers and their workers.

But Alan Wolfe, a sociologist at Boston University, disagreed. He said that while the handshake has been devalued by those in the media spotlight, the gesture carries just as much weight as it always has among most people because so many face-to-face encounters have been replaced by phones, faxes and E-mail.

"The handshake is really reserved for special moments," he said. And you never know when such moments might arise. In January, a small group of men were moved to shake the hands of staff members in a bank in central Italy. It was, after all, a special time for everyone involved. The men were about to leave, having just finished robbing the bank.



ECONOMY

The Greening of Gambling's Golden Boy

By JON CHRISTENSEN

LAKE TAHOE, Nev. "WE can't back down," said Steve Wynn, the chairman and chief executive of Mirage Resorts Inc. "I'll throw my body in front of the train."

Mr. Wynn had leaned close to buttonhole a board member at a meeting here in March of the Tahoe Regional Planning Agency, but his forceful stage whisper carried around the room, just as he had intended. "We sent a message to

To the contrary, Mr. Wynn is on the board. What he was so emphatic about was water, specifically the once-pristine waters of the 250-square-mile lake that anchors the region. And the "train" he was so ready to throw his body in front of is the armada of Jet Skis and other so-called personal watercraft that he says are dumping large amounts of unburned fuel in those waters, contributing to the alarming pace at which the lake is losing its celebrated clarity. Ten days ago, he got his way, when the board voted to ban the machines from the lake starting in two years.



CR Miller for The New York Times Casino magnate Steve Wynn

those guys," he said. "And as long as I'm around, we won't back down."

Mr. Wynn is used to getting his way. The strong-willed and hot-tempered head of one of the country's biggest gambling companies, he has built a string of hugely successful casinos in Las Vegas. He recently beat Donald Trump in a court battle over an access road that will pave the way for his triumphant return to the Atlantic City waterfront. And he is building the biggest casino on Mississippi's Gulf Coast.

He has also been flexing his muscles lately around Lake Tahoe, the popular gambling center and recreation area straddling the California-Nevada border, 350 miles northwest of his home base of Las Vegas.

But while Tahoe seems like a natural setting for yet another of his gargantuan gambling palaces, Mr. Wynn's tough talk at the planning board meeting had nothing to do with winning a building permit.

gambling? Is he simply trying to keep Tahoe at bay now that his most expensive casino, the \$1.4 billion Bellagio, is rising on the Vegas Strip? The son of a compulsive gambler who died in debt, Mr. Wynn has spent his life fulfilling his father's dream of building a casino empire. Now that he is 55, these people say, he wants to be remembered for more than just casinos.

The clock is ticking for Mr. Wynn in another way. He may go blind, a likely outcome of the degenerative eye disease that surfaced when he was 29. The inherited, incurable disease, retinitis pigmentosa, destroys nerves in the retina.

Whatever is making Steve Wynn run, some environmentalists are glad to have a businessman of his power on their side. After all, he is a wily operator who knows how to make use of laws and government agencies to get what he wants in the gambling world. Bringing those skills to the defense of a lake's water quality should produce big dividends, some say.

They point to the rancorous, 12-hour meeting late last month at which the planning board backed his campaign against Jet Skis and similar machines, waterborne cousins of the motorcycle that are almost as fast and certainly just as loud as their wheeled relatives. The board voted 10 to 4 to ban all such machines, whose two-cycle engines run on a mix of gasoline and oil, from the lake beginning June 1, 1999. Mr. Wynn led the fight for the ban, arguing that the engines discharge hundreds of thousands of gallons of unburned fuel into the lake each year. The ban, which is expected to be appealed by manufacturers and rental shops, is far tougher than the position taken by the Environmental Protection Agency.

Jumping Into a Lake's Future

Mr. Wynn came to the Tahoe area in 1992, building a getaway home in the lakeside enclave of Incline Village, or what locals call "Income Village." It is a "nice, roomy house," he said, "with three bedrooms, a gym and a media room, and a little guest house with two bedrooms, on five acres."

For a time, Mr. Wynn kept a fleet of five of the noisy watercraft at his dock, jumping waves in front of his estate with the likes of former President George Bush.



Steve Wynn is working to halt growth and save the natural wonder of Lake Tahoe.

But Mr. Wynn soon learned that there was trouble in his newfound paradise. Lake Tahoe, set more than a mile high in the Sierra Nevada, is surrounded by granite peaks draped with dark green pine forest. But the lake's famous clarity is rapidly declining. The first scientist to measure the clarity in 1873 could see a dinner plate 108 feet down. A similar plate is visible only to 70 feet today and the clarity is deteriorating at the rate of a foot and a half a year, according to the regional planning agency.

Soil runoff is a major villain. After reading a magazine article about the banning of personal watercraft from a Swiss lake, Mr. Wynn decided that the zippy little machines were another. He sold off his fleet (though he kept a large powerboat, which uses a less-polluting four-cycle engine) and made a lakewide ban his mission.

That raised the hackles of some local residents, who quickly came to regard him as a high-profile interloper who was meddling with their way of life.

"Lake Tahoe is being taken over by fat cats like Steve Wynn," wrote Jeff Ackerman, publisher and editor of The Nevada Appeal, the daily newspaper in Carson City, the state capital. "The billionaires are running the millionaires out of Tahoe. And they're using Tahoe's clarity as a tool to rid themselves of the riffraff who can't afford a giant lake cruiser that Wynn and his buddies use to cruise what is becoming their own private paradise."

Mr. Wynn dismissed the attacks as

"sound and fury signifying nothing." In an interview before the board vote, he said: "The agency is being put to the test on this issue. If it can't deal with something as black and white as that, then it's useless."

Mr. Wynn gets up to Lake Tahoe on a company jet about once a month for board meetings, sometimes making additional trips to ski (which he says he can handle just fine, despite his vision problems) or to spend time on the lake.

"Tahoe is my thing," he explained. "I was brought up in the mountains in a place very much like Tahoe on a reduced scale, with a pine forest surrounding a lake. Once you're a mountain person, you're always a mountain person."

Mr. Wynn, who grew up in Utica, N.Y., spent his early summers at Old Forge in the Adirondacks. He named his Lake Tahoe home Old Forge out of "nostalgia for my childhood," he said.

It was a special childhood, marked by unusual defining moments. Mr. Wynn's father, who was born Michael Weinberg and later changed his last name, ran bingo parlors on the East Coast. The father was often in debt but Steve had everything he wanted. He went to prep school before going to the University of Pennsylvania, where he earned a bachelor's degree in English.

When his father died in 1963, while undergoing open heart surgery at the age of 46, he left behind tens of thousands of dollars in gambling debts. Mr. Wynn and his wife, who also grew up in a family headed by a compulsive gambler, took over the bingo business. They were both 21. He called the numbers and she counted the money. It took years to pay off the L.O.U.'s.

In 1967, Steve Wynn moved his family to Las Vegas. He bought a 3 percent stake in the Frontier Hotel casino and became the slot manager. When investigators discovered that the hotel was owned by Detroit mobsters, Mr. Wynn sold his shares, denying any previous knowledge of the underworld link.

He then became friends with E. Parry Thomas, the founder and owner of the Valley Bank, which financed much of the Las Vegas casino industry's expansion in the 1960's and 70's and later merged with the Bank of America. In 1972, Mr. Thomas helped arrange a real estate deal in which Mr. Wynn bought a lot from Howard Hughes for \$1.1 million and then sold it to Caesars Palace, next door, for \$2.25 million.

Mr. Wynn used the profit to acquire a 5 percent interest in the Golden Nugget, then a rundown casino in the Glitter Gulch section of downtown Las Vegas. He eventually took control, becoming at 31 the youngest person ever to run a casino in Nevada.

Most casinos in those days were dimly lit affairs that exuded an illicit backroom feeling. Mr. Wynn brought in the sunlight. He transformed the "gambling joint," as he called it, into a sparkling palace for high rollers, directly across from the spot on Glitter Gulch where his father had failed to open a bingo parlor. Unlike his father, Mr. Wynn does

not gamble, viewing that part of his family history as a cautionary tale. "If you want to make money in a casino, own one," he has been quoted as saying.

What Kind of Mission?

Mr. Wynn seemed relaxed at the agency meeting, where he bantered easily with fellow board members.

Mr. Wynn left the recent meeting early to go to Las Vegas for the opening of the Secret Garden at the Mirage, a habitat for the rare tigers used in shows by the house entertainers, Siegfried and Roy. He also had to prepare for Mirage Resorts' annual meeting.

The next day, Mr. Wynn told stockholders that the era of rapid expansion in the gambling industry was slowing. He said that Mirage Resorts might consider expanding through acquisitions, but that too many gaming companies were saddled with aging buildings in second-rate locations. In the meantime, the stockholders could look forward to the opening in September 1998 of the Bellagio, a habitat for the rare tigers used in shows by the house entertainers, Siegfried and Roy. He also had to prepare for Mirage Resorts' annual meeting.

In his remarks, he echoed his concerns expressed earlier this year that Las Vegas suffered from "quality problems," particularly traffic congestion and air pollution.

The population of the Las Vegas metropolitan area is 1 million, and it is projected to reach 1.6 million in 10 years. "Any given area can only take so many people," he said. "I'm not sure what that number is. But if the air's not clean and you can't move in the streets, it seems like you're getting there. So what do you do about it?"

His answer is to learn something from the Lake Tahoe experience. "It takes consensus," he said. "And the only hope is to educate the public."

Skeptics say Mr. Wynn has a lot of moxie even to pose the question, given his own role in the city's growth. "If he's serious about controlling growth, he could be doing a lot more than he is," said Mr. Nielsen, of Citizen Alert. "It's a lot of hot air."

But others say he may be just the right person to ring the alarm. "When someone of his stature says things, people in Las Vegas tend to listen," said Mike Sloan, vice president of Circus Circus Enterprises, a competitor that jointly owns the Monte Carlo casino in Las Vegas with Mirage. "I don't think he's worried about competition. I think it is a quality-of-life issue."

Jeff Van Ee, a longtime Las Vegas environmental activist who sits on the local clean-air advisory board, offers some qualified support. "I find myself seemingly more in concert with him than I expected," Mr. Van Ee said. "I think he's changing. People are skeptical of his motives. As an environmentalist, looking at Steve Wynn and his impact on this community, I view him as a work in progress."

World Stock Markets table with columns for Country, Index, Week % Chg, YTD % Chg, YTD Dividend Yield, and Exchange Rates.

June 30-July 3: With Interest Rates and Wage Costs Steady, the Dow Hits a Holiday High

Market performance table with columns for Domestic Equities, Domestic Bonds, Around the World, and Yields.

Yields and Other Investments table with columns for Bonds, Other Investments, and 90-Day Relative Trends.



Essay

WILLIAM SAFIRE

Let's See if the System Still Works

WASHINGTON  
 "No fund-raising calls or mail," warned White House Counsel Abner Mikva in 1995, "may emanate from the White House or any other Federal building."  
 That's the law. But money-hungry Bill Clinton soon replaced Mikva, a former Federal judge, with Jack (Tell 'em Nuthin') Quinn, less concerned with legal niceties.  
 "The POTUS (President of the United States) and VP" e-mailed aide Karen Hancox in that law-breaking year, "offered ON THEIR OWN to make f r [fund-raising] calls for the DNC."  
 A few months ago, after Al Gore distanced his own supporters by claiming "no controlling authority" stopped him from soliciting money from his Federal desk, the President pretended he could not

recall doing anything similar.  
 Now, on the eve of the Senate's Thompson committee hearings, the truth is seeping out: Clinton personally leaned on 15 to 20 fat cats, often from his Oval Office phone, for at least \$500,000 — including one call urged by Vernon Jordan to shake \$100,000 out of a Maryland businessman.  
 Both Clinton and Jordan are lawyers. They know the law against soliciting on Federal property. They were reminded of that law by the unwelcome Judge Mikva. Perhaps they were confident that Janet Reno, acting as a one-woman Supreme Court, would choose not to enforce that law.  
 But they surely knew how repugnant the American people would find the spectacle of their President, in the Oval Office, personally wheedling money out of wealthy citizens, with all the intimidation that such a "request"

carries. That's why the Clinton memo-ry turned so fuzzy for months.  
 Why are White House memories of the law-breaking suddenly coming clear? Because the Thompson committee has listed Ms. Hancox on its list  
 witness list for the following week is Paul Buskirk, a trade official who deals with a classified computer network. That suggests to me that senators will be looking into John Huang's access to secret Government cables. Huang was Lippo's man at Commerce, later reassigned by Clinton himself to raise money from those he serviced.  
 Only Asia-connection buffs know of Huang's 37 sessions with his personal C.L.A. briefer, accompanied by calls from his Commerce phone to his former Indonesian bosses and an unexplained visit to the Chinese embassy. Fewer still know of Huang's use of the Washington office of Stevens Inc., the investment bank so close to the Clintons in the past, for calls and faxes to Canada and overseas.  
 But now a wider audience assembles. Will the hearings reveal Huang to

be an agent of influence, with the Clinton White House penetrated by a Chinese-Indonesian economic espionage operation? No; but perhaps its findings will force the appointment of an independent counsel still being resisted by Clinton Justice. The Senate's primary job is not to show "everybody did it," but to expose to public view the unprecedented pattern of corrupt fund-raising that sullied the highest office in the land.  
 I hope Huang is required to take the Fifth in person, along with all the others delaying or obstructing this investigation. I hope senators discover why our State Department is not trying to bring Yah Lin (Charlie) Trie — so available to Tom Brokaw and to other interviewers in Shanghai — home for questioning under oath.  
 Wang Jun, the Chinese arms dealer helping Iran obtain missiles to men-

ace our ships in the Persian Gulf, recently told an American friend that he gave \$50,000 to Charlie and thereby met Clinton in the White House. No wonder State and Justice don't want Trie questioned under oath.  
 One witness that Democrats will try desperately to protect is Bruce Lindsey, the newly unprivileged White House lawyer who bridges the fund-raising and Whitewater scandals.  
 He was present at Clinton's infamous Sept. 13, 1995, "reassignment" of Huang. And when asked by the Senate last year if he was aware of Clinton Administration efforts to steer work to Webster Hubbell, Lindsey swore "No." Let's see him slip out of those. (Hubbell, steered \$100,000 from Lippo alone, now faces a threat of indictment for "hush money.")  
 The Fourth of July is behind us; let the quiet fireworks begin.

Tune in to the quiet fireworks.

of witnesses this week. White House Spin Control leaked the story on the eve of a holiday weekend, amid Mars landings and Paula Jones denunciations, hoping to detract from the newsworthiness of the televised hearings.  
 Another unfamiliar name on the

Moscow, We Have a Problem

By Jim Lovell

HORSESHOE BAY, Tex.  
 Many people are now wondering what is to be done about the Russian space station Mir, which collided last week with a supply ship. Is repairing the Mir a good idea? If a repair is successful, should other crews be sent to man it?  
 As a former astronaut who was aboard Apollo 13 when it exploded in 1970, I know that the accident put the

crew in an extremely dangerous situation. Spektr, one of the station's pressurized research modules, was ruptured, knocking out almost half of the station's electrical power.  
 Whether this was pilot error, an overloaded supply ship or failure of the manual docking system has not been determined. But this type of accident can happen whenever two vehicles are docking; the international space station, which is in the works, could face the same problem.  
 Fortunately, the Mir crew rapidly analyzed the problems and closed the hatch to the Spektr module before the entire space station decompressed. Thanks to that quick work, the crew is in a safe and stable situation, and is preparing to repair the Mir. I believe this is the correct

decision for two reasons.  
 First, unlike the astronauts on Apollo 13, the Mir crew has a real return vehicle it can use for a quick return to Earth should the situation become too dangerous.  
 Second, trying to repair a puncture in Spektr's hull will give us invaluable information on how to handle a similar problem on the international space station. Even if the repair is not successful, the exercise will point out the problems involved.  
 Having said that, the basic question remains: Should the repaired Mir be occupied by future crews?  
 The Mir was designed to last five years. It has been in operation for 11 years. Its technology is old, and upgrading has been sporadic. There have been problems in the past, in-

cluding a dangerous oxygen fire four months ago and, just recently, a broken oxygen generator.  
 The United States has used the Mir for two reasons. One, the National

been successfully demonstrated several times.  
 Second, NASA wanted to get data on long-term human space flight. Some cosmonauts have stayed on the Mir for more than a year. Although NASA has some doubts about some of the data on human endurance collected by the Russians, it has had people on board the Mir for more than six months. I doubt that astronauts on the international space station will have to spend more than six months in orbit unless they are training for a Mars mission.  
 There is another thing to consider. Should a catastrophic event occur on the space station, all the naysayers who do not believe in America's space efforts in the first place will point to the Mir's past problems and

say, "I told you so." An accident could result in a major political setback to the international space station, which is due to be completed in June 1998.  
 As it is, because of money problems, the Russians have fallen behind on the construction on their part of that project. So wouldn't it be better if NASA put all the money it is now using to support the Mir toward completing the international space station on time and getting it operational?  
 NASA and the Russian Space Agency will have to make these decisions quite soon. As an old, retired astronaut, I know the benefits our space efforts have provided to the world in the past, and I hope they will continue into the future.

Trouble on the Mir may spell trouble for NASA.

Aeronautics and Space Administration wanted to test the docking procedure between the space shuttle's orbiter and a space station. This has



Towns Less Traveled By

By Judy Troy

AUBURN, Ala.  
 You don't see them unless you get off the interstate and travel on two-lane highways and county roads. I drive through them because I write novels and stories about them; I write novels and stories about them because I like driving through them.  
 My own town is in southeast Alabama — a college town. I came here from my native Midwest five years ago, on a hot, drizzly September night, and driving down through Jas-

per I listened to the radio: "Finding Jesus Through Ventriloquism." "I didn't have a voice until I found the Lord," said a puppet named Bunchy.  
 Each town has its own regional, cultural and inexplicable particularities, often taken for granted by its residents. Last spring, for example, when our family convened in the small Arizona town where my brother and sister-in-law live, my brother calmly told us, "I've made you reservations at Wrangler's Roost."  
 It was, we discovered, a drug rehabilitation center turned dude ranch, where a weathered sign in front of the swimming pool read, "Please Do Not Walk on the Water," and the Kiwanis Club met in our "suite": a rectangular room with an infant's playpen, a conference table and a couch large enough for Paul Bunyan, with a matching armchair so big that my mother and her tall boyfriend sat in it

together. The armrests were level with my mother's head.  
 "Have you noticed that the furniture here is a bit large?" my sister  
 Quirky. Comforting. Community.  
 asked the cook, who in a matter of hours had become a close personal friend.  
 "You should see my boss's horse," he said.  
 A catfish dinner for the nine of us was \$69. We were the only people in the dining room with teeth, without

boots, and with more or less parallel calves.  
 More recently, my husband and I attended a family reunion in his East Texas hometown, in which he had acquired a legendary reputation for things like urinating off the Ferris wheel at the county fair and persuading a substitute teacher to throw himself down the fire escape chute.  
 The building that used to be his father's grocery store is now a law office; half of the buildings around the square are empty, and the old jail is gone, too, along with the room above it where now-deceased Uncle Ronnie used to blacken his face and participate in "Lions Loonies," an Amos and Andy imitation put on once a year. Black prisoners housed in the jail below would take off their shoes and pound them against the ceiling in protest.  
 My husband's old high school bud-

dies came around with cherry moonshine and cigars. Formerly impoverished "Ole Dick," as his hat read, showed up a hundred pounds overweight and rich. Aging cousin Nelson announced that he was sure to pass the bar exam on his sixth try, and all weekend, Aunt Winifred, a recovered alcoholic, was on the phone with her sad A.A. counselees, including one woman who had either intentionally or unintentionally set herself on fire.  
 Before long my husband and I will drive up to the Indiana town where my mother lives, as well as my sister and her family: 700 inhabitants, most of whom have well water the color and texture of Pennzoil. Perhaps it's responsible for the town's unusual crimes, among them, my sister reports, the home-im-

provement vandals who broke into and carpeted her screened-in porch, and a pedestrian hit in the head by a high-heeled shoe.  
 We know, though, that it's easy to make fun of our small towns, and that living in them has a more serious side. You get to know people well, and you get to know people who know the people you know, and in the end you find yourself caring more deeply about more people than you wished you did — like the 5-year-old child who, nightly riding down the street on her father's shoulders, loved our bright yellow front door. She died in a car accident a week ago. At her memorial service, where there was not even standing room, the priest stepped down and stood with the grieving parents.  
 "Turn around," he told them. "Look at your community."  
 And that was us.

By Bruce Bartlett

GREAT FALLS, Va.  
 One can hardly pick up a personal finance publication these days without reading another story about how baby boomers are not saving enough for retirement. Yet our Federal tax code encourages consumption rather than saving.  
 Bill Archer of Texas, the chairman of the House Ways and Means  
 Bruce Bartlett, a senior fellow with the National Center for Policy Analysis, was a Deputy Assistant Treasury Secretary in the Reagan and Bush Administrations.

Committee, has long advocated a national consumption tax, and has long been ignored. Now a growing number of economists and legislators are showing interest in the idea. Once the current tax legislation is out of the way, Mr. Archer says, his No. 1 goal will be to push such a plan.  
 To a large extent, the tax code's bias against saving is deliberate. When the existing code began to take shape in the 1940's, the memory of the Great Depression was still fresh. Keynesian theories, which view spending as the driving force in the economy and saving as a drag on growth, were triumphant. Federal officials rejected a national consumption tax for fear that it would stifle spending.  
 As a result, the United States has long had one of the most pro-con-

sumption, anti-saving tax codes among the big industrialized countries. Our tax code looks kindly on debt, but we discourage people from putting money away by taxing returns on savings and investment. According to the Organization for Economic Cooperation and Development, only Canada has a higher average tax rate on capital — savings and investment — than the United States.  
 Not surprisingly, the United States and Canada also have the lowest rates of saving among industrialized countries. In 1996, Americans saved just 5 percent of their after-tax income; Canadians saved 4.6 percent. By contrast, Italians saved 13.4 percent of their income, the French 12.8 percent, the Japanese 11.9 percent, and the Germans

No wonder baby boomers have put away so little.

and British 11.6 percent.  
 In the long run, countries that save more tend to have higher standards of living. More domestic saving is associated with higher rates of investment, which in turn is associated with higher rates of productivity.  
 Growing concern that Americans are not saving enough has led to new interest in consumption taxes. There

are only two things people can do with income: save it or spend it. The idea behind a consumption tax is to tax what people spend, rather than what they save. This can be done directly, through some form of a tax on goods and services, or indirectly, by not taxing investment income.  
 Countries can directly tax consumption in two ways. One, widely used in Europe, is to impose what is known as a value-added tax on goods and services — a tax levied on producers that is incorporated into the price they charge consumers. The other way, which Mr. Archer favors, is a national sales tax, much like the sales taxes most states have.  
 Indirect approaches to taxing consumption can also take different forms. Bipartisan legislation was introduced in the last Congress that

took this approach. Under that plan, taxpayers would have received a deduction for all savings. And a flat tax proposal supported by the House majority leader, Dick Arney of Texas, would eliminate taxes on savings and investment returns.  
 All of these approaches have their advantages and disadvantages, and once lawmakers get serious about the goal of taxing consumption rather than saving, they will have to consider such issues as the simplicity and fairness of a new tax system.  
 The time is right for a consumption tax. Rather than merely bemoan the difficulty Americans seem to have in saving for the future, why not make it easier for them to do so?  
 Frank Rich is on leave. His column will resume in November.









Cabinet talks on market reform not yet scheduled

Key Representative Rates table with US Dollar, Sterling, and Mark rates.

COMMODITIES Gold falls to lowest level in 11 years

By MICHAEL ZWERNER Precious metals prices closed broadly lower Thursday, as gold plummeted to an 11-year low on the Reserve Bank of Australia cut its gold reserves to 80 metric tons from 247 tons, reinvesting the funds in foreign currency.

Silver fell on gold's weakness, with the September silver contract dropping 75 cents to \$4.57 an ounce. August high grade copper fell 75 at \$111.85 per lb.

Oil prices eased on Thursday as Iraq took another step toward resuming crude exports under the terms of a UN humanitarian plan and traders began to focus on ample supplies of heating fuel.

Recent strength has come from uncertainty about the timing of the resumption of Iraqi exports - suspended since late May - and seasonal demand for gasoline.

With New York markets winding down for US Independence Day, which traditionally marks the peak of gasoline demand as millions of US motorists head for the beach or holiday homes, traders said crude prices would lose a key prop.

News that Iraq and the United Nations have completed their food distribution plan to cover the proceeds of the next six months of oil exports helped remove another crutch from world crude markets.

September light sweet crude oil closed down 74 cents to \$19.60 per bbl. September heating oil was down 2.11 cents to \$3.31 per gallon and September unleaded gas closed down 1.53 cents to 57.02 cents per gallon.

Soybean futures finished higher on Thursday, rallying from its recent losses on pre-holiday weekend short covering. The July contract settled 11 cents higher at \$7.22. The August future settled 1 1/4 cents higher at \$6.87 1/2.

DATA COMMUNICATIONS VIA ABA COMPUTER SYSTEMS LIMITED. Foreign financial data courtesy of Comstock Trading Ltd.

Lockheed Martin to buy Northrop Grumman

\$11.6b. deal will create firm with \$37b. in annual revenues

By GERARD MEUCHNER BETHESDA, Maryland (Bloomberg) - Lockheed Martin Corp. said last week it will buy Northrop Grumman Corp. for \$11.6 billion in stock and assumed debt, strengthening its position as the world's second-largest aerospace company.

draw intense scrutiny from antitrust regulators, even as shrinking defense budgets drive weapons makers into each others' arms in an effort to win more business. "This virtually completes the shakeout in the US weapons industry, leaving just two colossal players," said Byron Callan, a Merrill Lynch analyst in New York.

Lockheed and Northrop are the successor companies from the combinations of Lockheed and Martin Marietta last year and Northrop's purchase of Grumman in 1994. For Northrop, the purchase represents a deliverance of sorts after failing to win this year the TI or Hughes properties, both of which were snapped up by Raytheon. Instead of being a distant fourth, "they've obviously

trumped Raytheon" in an industry where size matters, said Paul Nisbet, of Newport, Rhode Island-based JSA Research. "Anyone who was concerned about Northrop's breadth of technology or size doesn't have that worry anymore," said Loomis Sayles' Patriquin. Regulators will be sure to give the transaction a hard look. The Justice Department yesterday gave Raytheon approval to buy the TI business for \$2.95b. on the condition that it sell a TI unit that produces a key component for radar systems.

Panel urges EU to reject McDonnell-Boeing merger

By ROBERT WIELAARD BRUSSELS (AP) - The European Union's antitrust advisory committee unanimously recommended over the weekend that the merger of the Boeing Co. and McDonnell Douglas Corp. be blocked, sources said.

are committed to continuing to work with the EC to reach a positive outcome," said Boeing spokeswoman Sherry Nebel in Seattle. The company created by the merger - to be called the Boeing Co. and based in Seattle - would be a global colossus: 200,000 employees, annual sales of \$48 billion and a 65 percent grip on the global market for large, commercial jetliners, double that of its only rival, Airbus Industrie, a consortium of European partners.

Under EU law, the European Commission can block mergers - also of non-European companies - if it feels it would have an adverse effect on fair trade in the 15-nation EU. If Boeing ignored EU regulators, it risks fines, seizure of aircraft and an uncertain business climate with European clients hesitant to do business with a company that ignores the trade concerns of the EU head office.

EU officials are confident this is not what Boeing wants and that the company will want to cooperate. In recent weeks the commission has expressed concerns about the huge market position of the new company emerging from nearly \$15b. Boeing-McDonnell merger.

The panel said the mega-merger between the two aircraft manufacturers would strengthen Boeing's "existing dominant position and therefore should be prohibited."

EU Competition Commissioner Karel van Miert issued no immediate reaction to the news that his key advisory panel suggested that he block the venture.

Sources said the recommendation to disallow the merger does not signal the end of the European Commission's investigation into the impact that the merger will have in Western Europe.

However, the recommendation serves as a powerful signal of the concerns in EU capitals of the prospect of Boeing gaining an unfair edge in the global market for large civilian aircraft.

The committee said that proposals by Boeing to modify its planned merger to ease European concerns were not sufficient, said one EU source who asked not to be named.

The antitrust committee is made up of representatives from the 15 EU member countries. "We are disappointed, of course. But we

are moving ahead based on the FTC decision," McDonnell Douglas spokeswoman Mary Ann Brett said. Van Miert has not commented on the FTC ruling. The executive agency must make a final ruling before July 31.

This week, EU officials argued that while McDonnell may have no future, its planes still account for a quarter of all civilian planes flying worldwide today and that they were bound to be replaced by Boeing planes or kept in service by the new company since it has all the spare parts.

Additionally, the EU worries about a "spillover" effect whereby US defense and space subsidies bleed into Boeing's ever-bigger commercial aircraft business.

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TASE ROUNDUP Shares up; shekel seen as stable

Mishtanim 298.63 ▲ 1.18%, Maof 304.86 ▲ 1.10%

By FELICE MARANZ Stock indexes jumped yesterday as the shekel was seen stabilizing against the dollar. The Maof Index of 25 issues rose 1.10 percent to 304.86 and the Mishtanim Index of 100 issues rose 1.18% to 298.63. The general bond index rose 0.13%.

Shares leading gains included Israel Corp., which rose 6.75%, and Teva Pharmaceutical Industries, which increased 2% after its American depository receipts rose. Teva was listed among Israel's top companies by Business Week magazine. "People are looking for value - and Israel Corp. is one of the few stocks that hasn't risen as much as the rest of the market," said Ira Stomowitz, in sales and trading, at Tel Aviv firm Israel Brokerage and Investments.

Stocks rose across the board as "there's a real expectation the shekel will stabilize around 3.5," Stomowitz said. The shekel weakened on Friday, closing at 3.553 compared with 3.517 on Thursday.

Declining shares included Koor Industries Ltd., Israel's biggest publicly traded industrial company, which fell 0.25%. A weaker shekel boosts exporters' profits, as they pay expenses in shekels and earn in dollars. At the same time, a weaker local currency can also spark inflation, buoying the prices of imported goods and housing, which is linked to the

Egyptian PM in Jordan for talks on labor export

AMMAN (AP) - Prime Minister Abdul-Salam Majali traveled to Egypt Saturday for talks that are expected to focus on restraining the flow of Egyptian workers into Jordan.

Egyptian, with Jordanians in a bid to reduce a 15 percent unemployment rate. Energy Minister Saleh Hourani said a joint technical team with Egypt has concluded a study on a project for the construction of a pipeline from Egypt's Suez Canal to Aqaba.

The 270-kilometer pipeline will initially transport 200 million cubic feet of natural gas daily starting in the year 2001. The amount could gradually increase to 400 million cubic feet a year later.

Jordan produces 30 million cubic feet of natural gas daily, or about 18 percent of the country's needs, to generate electricity. The remainder is trucked overland from neighboring Iraq.

MISHTANIM LEADING 100 TASE ISSUES table with columns for LAST CHANGE and CHANGE.

WHERE TO GO

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